

April 2, 2025

The Honourable Peter Bethlenfalvy
Minister of Finance
Frost Building South, 7th Floor
7 Queen's Park Crescent
Toronto, ON M7A 1Y7

RE: A Blueprint for Economic Resilience and Housing Affordability in Ontario

Dear Minister Bethlenfalvy,

Congratulations on your reappointment as Ontario's Minister of Finance. Your steady leadership will be crucial during a pivotal moment for our province's economic future.

The Toronto Regional Real Estate Board (TRREB) represents more than 70,000 REALTORS® in the Greater Toronto Area, and we share your goal of building a stronger, more prosperous Ontario. As your Ministry develops the next provincial budget, we urge you to make housing affordability and housing supply central pillars of Ontario's plan to strengthen economic competitiveness and protect against future economic disruption.

Housing is Central to Ontario's Economic Stability

We are entering a period of heightened economic volatility. Global trade uncertainty, particularly around the potential return of U.S. tariffs, changing interest rates, and an ongoing affordability crisis are collectively undermining Ontario's long-term growth. Amidst these challenges, housing policy remains one of the most powerful—and underutilized—tools to enhance Ontario's economic resilience.

Just as roads, energy, and transit infrastructure are viewed as foundational to industrial growth, so too must housing be seen as economic infrastructure. Without attainable homes near major employment hubs, Ontario risks labour shortages, weaker productivity, and missed opportunities for reshoring and foreign investment. Building a wide range of homes at different price points signals that Ontario is open for business and ready to welcome new talent and industries.

To support your efforts to create a resilient, forward-looking economy, TRREB offers the following recommendations from our [Fair Taxes on Ontario Homes](#) report. These reforms will ensure that Ontario builds the homes needed to sustain economic growth, improve affordability, and boost supply.

TRREB Recommendations:

1. Lower Taxes on Ontario Homes

Ontario's development charges are among the highest in North America. These fees can add over \$100,000 to the cost of a new home. Today, government taxes and fees in Ontario account for nearly 36 per cent of the final price of a new build. This has a direct impact on affordability and a chilling effect on new housing construction. Ontario is now one of the highest housing tax jurisdictions in North America. Any plan to improve our economic competitiveness and resilience as a province should address this high tax burden on housing.

We urge you, as Minister of Finance, to tackle the high tax burden on Ontario homes. Specifically, we recommend that:

- Ontario take meaningful action to lower development charges and reduce municipal dependence on one of the largest barriers to new housing in our province.
- Ontario establish a more predictable and stable funding model for municipal infrastructure that does not overburden new homebuyers.

2. Update the Provincial HST Rebate Thresholds

The current *Ontario HST New Housing Rebate* provides a rebate of up to 75 per cent of the provincial portion of the HST, capped at \$24,000. This rebate structure has remained unchanged since its inception in 2010, despite significant increases in housing prices across Ontario. Given the substantial rise in home prices over the past decade, the existing rebate no longer effectively alleviates the tax burden on new homebuyers. This misalignment exacerbates affordability challenges and may deter new home construction, further limiting housing supply.

We recommend that:

- The Government of Ontario immediately review and adjust the HST rebate thresholds and maximum rebate amounts to reflect current housing market realities.
- Future adjustments be indexed to housing price inflation to maintain the rebate's effectiveness and ensure ongoing fairness and affordability for new homebuyers.

Updating the provincial HST rebate thresholds is a necessary step to support housing affordability and stimulate the construction of new homes in Ontario. We are advocating for a similar policy change at the federal level for their respective portion of the HST.

3. Make the Land Transfer Tax More Affordable for First-Time Buyers

Finally, Ontario's land transfer tax disproportionately impacts first-time buyers, especially in the Greater Toronto Area (GTA), where prices are higher. With affordability

already out of reach for many, a more meaningful land transfer tax rebate or exemption for first-time homebuyers would make progress in lowering the barriers to entry into the market—making housing more affordable for workers and entrepreneurs.

We recommend that:

- The Ontario Government and City of Toronto increase the provincial and municipal LTT rebate to \$8,000 each to better reflect current home prices.
- Both rebates be indexed to housing inflation so that the rebate does not lose its buying power over time, essentially creating an annual tax increase on first-time homebuyers.
- The provincial government reaffirm its commitment to not allowing other municipalities outside of Toronto to have the municipal LTT powers, and launch a review of municipal revenue tools with the goal of reducing the tax burden on homeowners and homebuyers.

Ontario has a unique opportunity to lead Canada in modernizing its economic and housing policy frameworks. We must not allow outdated taxation to undercut our competitiveness or deepen the housing crisis. By making housing affordability a core economic priority, your Ministry can help build a more productive, inclusive, and resilient Ontario.

TRREB stands ready to work with your ministry and all levels of government to ensure that housing policy not only meets the needs of today's families and individuals but also fuels Ontario's long-term prosperity. Thank you for your continued leadership. We would welcome the opportunity to meet and discuss these recommendations in more detail.

Sincerely,



Elechia Barry-Sproule
President
Toronto Regional Real Estate Board

Cc:

Honourable Stephen Crawford, Minister of Public and Business Service Delivery and Procurement
Honourable Rob Flack, Minister of Municipal Affairs and Housing
Honourable Victor Fedeli, Minister of Economic Development, Job Creation and Trade
Patrick Sackville, Chief of Staff, Premier's Office
Jason Fitzsimmons, Deputy Minister, Ministry of Finance